



Annual Report 2018



Business name	BENVIG HEAT TRANSFER spol. s r. o.
Business reg. No. (Tax ID)	14867125 (CZ14867125)
Legal form	Limited Liability Company
Date of incorporation	15 February 1991
Basic capital	CZK 5, 441 thousand
Registered office & seat	Benešov nad Ploučnicí, Děčínská 288
Commercial Register entry	15 February 1991, Commercial Register maintained by the Regional Court in Ústí nad Labem, Section C, File No. 209
Owner	PBS INDUSTRY, a. s., The Czech Republic (100 %)
Telephone, (Fax)	+420 412 590 511, (+420 412 586 340)
E-mail	info@benvig.cz
Web	www.benvig.cz



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OPENING WORD OF THE GENERAL DIRECTOR OF THE COMPANY

Dear ladies, dear gentlemen,
herewith I would like to, for the third time already, in the more than twenty-five years history of our company, summarize briefly the last year.

More than two years have passed since our company became part of the portfolio of the Investment Fund JET 1, investiční fond, a. s. Part of such acquisition and factual separation of the Czech company from the previous former Dutch owner – the company BRONSWERK HEAT TRANSFER B.V., was also the planned change of the corporate name of our company. Our company was getting prepared for such a significant change for all year 2018 in order to be able, commencing on 1st January 2019, to enter the new year and new era under the new name BENVIG HEAT TRANSFER spol. s r. o.

Our company, yet under the old name, reached in the year 2018 revenues in an amount of CZK 392 mil. Thus, the amount of revenues just only a bit less overcame the preceding year in which we achieved revenues in an amount of CZK 379 mil. In a significant portion the orders accomplished in the markets to which we had not had access earlier contributed to such revenues. For example, we succeeded to arrange and likewise supply in time orders for the Italian customer Amec Foster Wheeler and the Dutch Siemens, where, in both cases, we believe that such successful references will help us get other orders in the newly opened market.

The financial performance for the year 2018 reached an amount of CZK 32575 thousand. Compared to the year 2017, the financial performance of which in an amount of CZK 9.4 mil. was negatively influenced by two extraordinary events, it is possible to consider the year 2018 to be the year of the new business trend at the end of which the company will be firmly established in the world's markets, and will not be dependent just on the Eastern market.

In the year 2018, our company executed a considerable and long-time planned investment into a new milling centre which replaced the near-its-life end production equipment having been used by our company, and which greatly increased our capacities and manufacturing capabilities. The new portal milling centre will be fully used already in the year 2019 on executing new projects, including some projects for the Russian market where a slight enlivening occurred throughout the year, whilst we succeeded to arrange some interesting orders, among others, one of the historically greatest orders in an amount of EUR 7.5 mil. for our long time and important partner, the Russian company GazpromNeft-Omsk.

To date, we have arranged orders with the scheduled completion in the year 2019 in a total amount of CZK 428 mil. We set the plan of revenues for the year 2019 to CZK 612 mil., and at this moment there is no indication that we would not reach such a goal.

In conclusion, I would like, first of all, to thank heartily the collective of the employees for the mutual cooperation and unrelenting working effort which constitutes the essential prerequisite of the future performance of our entire company. Besides that, I thank all our business partners for the cooperation in the past year.

Your faithfully

Ing. Pavel Klement
General Director



COMPANY'S MANAGEMENT REPORT



PROFILE OF THE COMPANY



BENVIG HEAT TRANSFER spol. s r. o. is a mechanical engineering company with a history dating back to the early nineties of the last century, and with its production and services rendered it is focused on **equipment and systems of heat transfer in the industry**. The company has its registered seat in Benešov nad Ploučnicí, a small town in the north of the Czech Republic, in the immediate vicinity of the border with the FRG.

For more than twenty years of its activity, BENVIG HEAT TRANSFER has established itself in a variety of countries of the European Union and Central and Eastern Europe as a noteworthy producer and supplier of heat exchange systems. The key products of the company are particularly air-cooled heat exchangers, tube heat exchangers and air condensers. Its supplies include also other mechanical engineering products which relate to heat transfer systems. Within its industry, the company also renders servicing activities, inspection and consultancy services.

BENVIG HEAT TRANSFER finds its major customers typically beyond the borders of the Czech Republic. The exclusive customers comprise industrial companies, petrochemical and energy generating plants. Other customers of the company include contractors of superior investments projects where BENVIG HEAT TRANSFER participates therein as a subcontractor.

The company is, despite the less gratifying eras of the global economy, able to achieve good performances. This is evidenced by the general **indicators of the economic activity throughout the years of 2014–2018**.

	2014	2015	2016	2017	2018
Total Turnover *	388	457	516	380	392
Export *	354	377	477	241	342
EBITDA *	38	39	66	23	52
Total Assets *	505	507	302	304	272
Fixed Assets *	104	103	97	90	87
CAPEX *	4	8	5	2	7
Total employees	143	138	138	138	138

* in CZK Millions



HISTORY OF THE COMPANY

1991 Establishment of ENVIG spol. s r. o.

The history of BENVIG HEAT TRANSFER has its onset at the beginning of the year 1991, whereas at that time yet under the name of ENVIG, spol. s r. o. The original specialization of the purely Czech company was an engineering activity covering thermal calculations and designs of heat exchangers.

1996 Moving the company into a new production site

Soon the company ENVIG started with assembling supplies of thermal equipment and its own production. For the sake of extending the production capacities, the company moved in 1996 into a large production site in Benešov nad Ploučnicí. In the same year, the company had a workforce of 60 employees.

1999 The onset of the cooperation with Bronswerk Heat Transfer B. V.

At the break of the century the company started cooperating with a similarly oriented Dutch company Bronswerk Heat Transfer B. V., and, in 2000 it made a capital merge with the latter company. In the same year the company's workforce reached 90 people. Over the period until 2007, the Dutch partner had been gradually assuming the whole share in the possession of the originally Czech company. In that year, the name of the Czech company changed for the last time, into Bronswerk Heat Transfer spol. s r. o. In 2007, the company employed as many as over 140 employees.

2013 Completion of a vast construction of new manufacturing premises

In the 2013, the company completed a vast investment into the construction of new manufacturing premises and the reconstruction of the existing ones. Thanks to such investment, the production capacities have considerably extended, being essential for the further growth of the company.

2014 The establishment of the subsidiary in the Russian Federation

In the year 2014, Bronswerk Heat Transfer established, for the sake of a more flexible reaction to the requirements of the customers in the Russian market and better satisfaction of their needs, the subsidiary OOO Bronswerk Heat Transfer with the seat in Moscow.

2016 Strategic merger with PBS INDUSTRY, a. s.

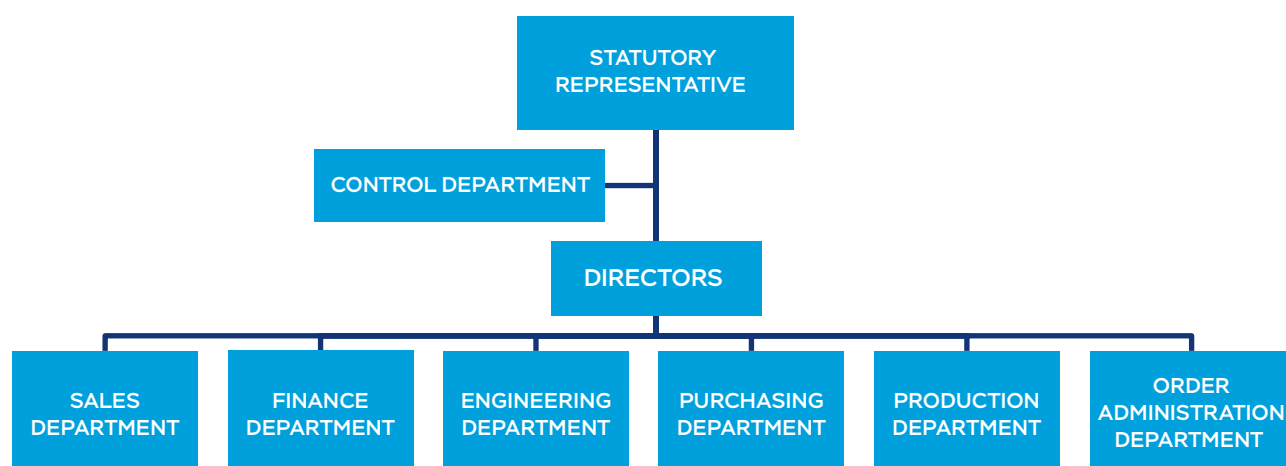
In the year 2016 BRONSWERK HEAT TRANSFER spol. s r. o. become a strategic part of the company PBS INDUSTRY, a. s. Such merger, thanks to long time experience of both mechanical engineering companies, brings a valuable synergy in supplies of power generation and heat generation plants worldwide. The company Bronswerk Heat Transfer is through its mother company PBS INDUSTRY, a. s. part of the portfolio of the investment fund JET I, investiční fond, a. s.

2019 Company name change to BENVIG HEAT TRANSFER spol. s r. o.

Due to PBS INDUSTRY, a. s. acquisition the company name was planned to change as the old one contained the previous Dutch owner's company name. Since 1. 1. 2019 the company continues its journey with a brand-new name BENVIG HEAT TRANSFER spol. s r. o.



MANAGEMENT & ORGANIZATIONAL STRUCTURE

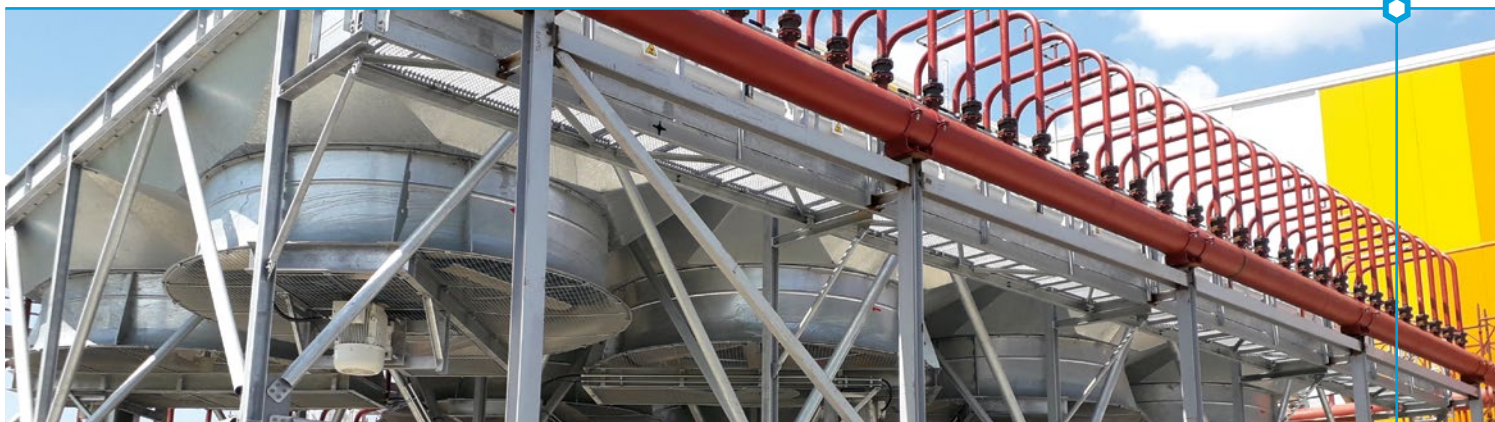


General Director	Ing. Pavel Klement
Technical Director	Ing. Milan Serbus
Financial Director	Ing. Petr Hajný
Commercial Director	Ing. Martin Kohout
Control Manager	Ing. Pavel Pečiva
Sales Manager	Ing. Tomáš Fogl
Purchasing Manager	p. Radek Kužel
Production Manager	Ing. Jan Rutar
Project Manager	p. Miroslav Brzák
Servis Manager	Ing. Petr Přibil

As of 31 December, 2018, BENVIG HEAT TRANSFER spol. s r. o. owned a 99% share in the basic capital of OOO BENVIG HEAT TRANSFER.



CUSTOM MANUFACTURE



BENVIG HEAT TRANSFER specializes to the process design, design documentation, construction, and supplies of the systems and different **equipment for heat exchange systems**.

The most **important** industries where the company supplies its equipment to, are, particularly, the following:

- **Petrochemical and chemical industries**
- **Power and heat generation industries**
- **Food industry**
- **Communal waste incineration plants**

Besides standard equipment, the company is able to offer turn-key **projects**:

- **Industrial cooling circuits**
- **Water cooled steam condensers**
- **Air cooled steam condensers**
- **Feeding water heating system**

As a necessary part of such equipment, the company supplies the complete process design, thermal, hydraulic and strength designs, electric instrumentation, the installation or engineering supervision, including commissioning and performance tests.

BENVIG HEAT TRANSFER endeavors to continually expand the production and contractor's program and services rendered. Thanks to the license agreements for the designing programs for the thermal-hydraulic design of exchangers and the flow of fluids, the company is able to prepare the design and to perform the supply of **different non-standard equipment according to the wish of the customer**. The vision of BENVIG HEAT TRANSFER is to offer, in addition to supplies of separate equipment, also complete packages of technological systems.



As a standard, BENVIG HEAT TRANSFER is active in the supplies of such **equipment and its accessories:**

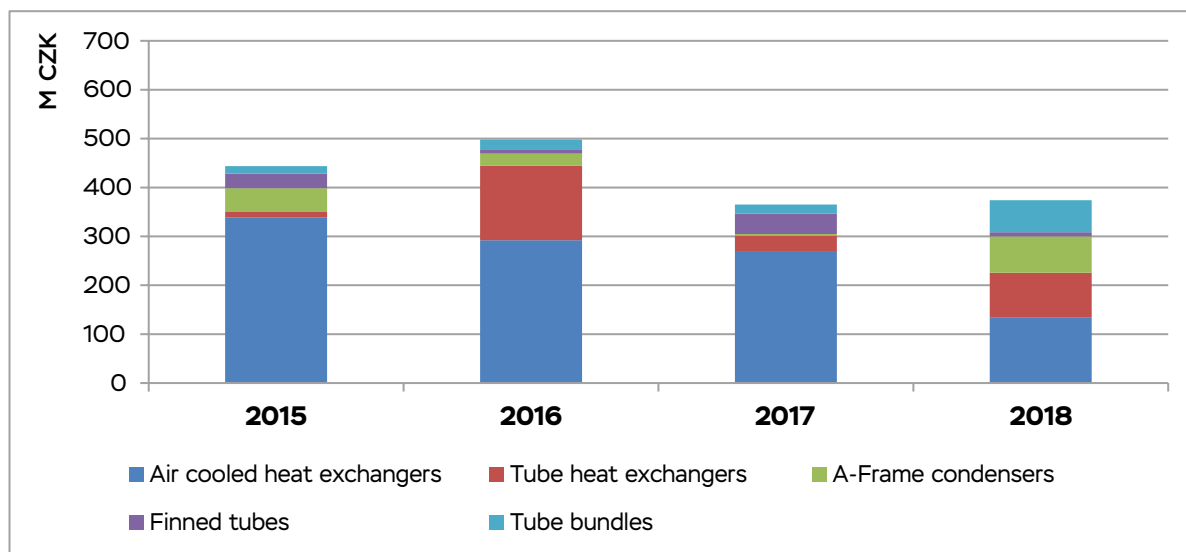
- **Air cooled heat exchangers**
 - Process coolers
 - Air cooled condensers
- **Tube heat exchangers**
 - Process exchangers
 - Water cooled condensers
- **Air heaters**
- **Finned tubes & Tube bundles**
- **Pressure vessels**
- **Steel structures**

In the framework of its activity the company provides also **service activities, installation services, inspection activities and consultancy services.** They include particularly the below activities:

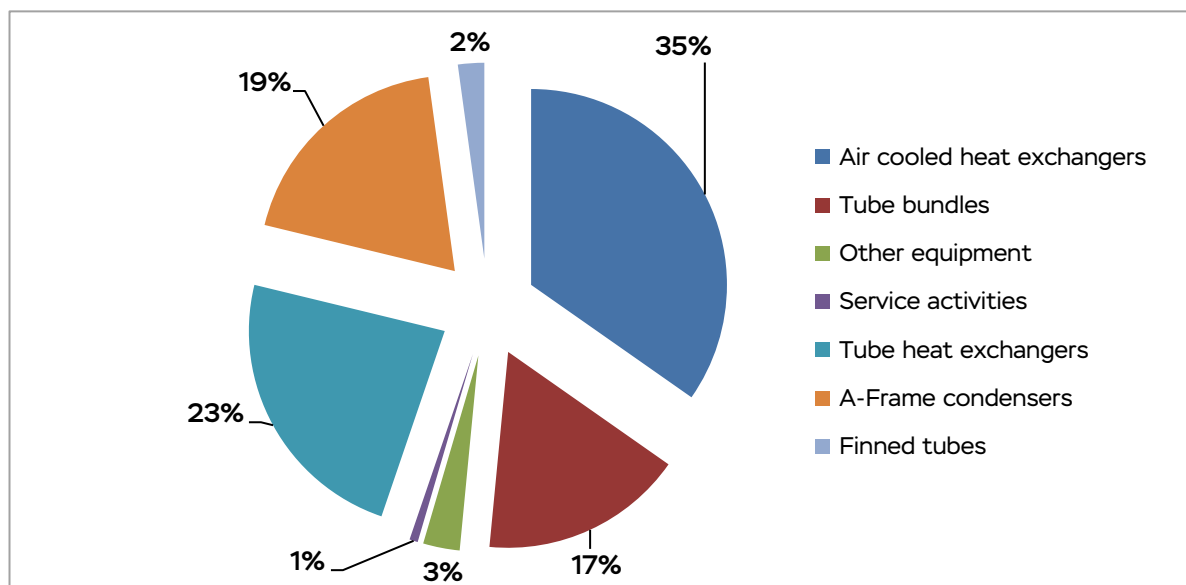
- **Inspections of exchangers, machines and their accessories, troubleshooting and detecting inconsistencies**
- **Proposals of modifications and optimizing the existing system**
- **Pressure tests**
- **Mechanical and chemical cleaning of exchangers**
- **Dismantling and assembling of exchangers and their accessories**
- **Replacement of parts and repairs**

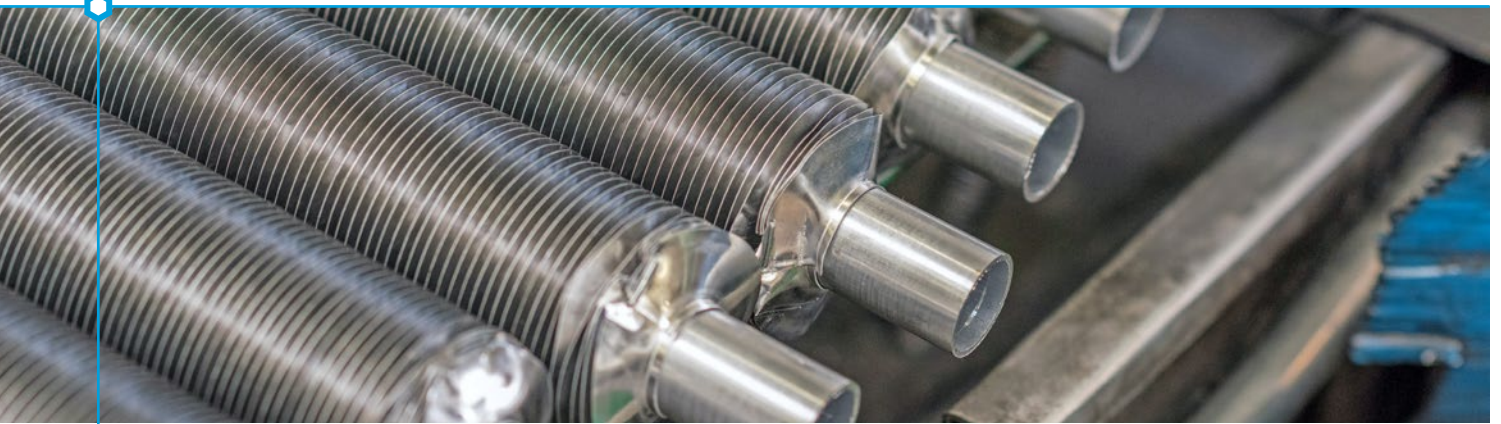


The most significant supplies of equipment contributed within the years 2015–2018 to the revenues of the company in the below ratios:



In the year 2018, all the supplied units of equipment and services contributed to the total revenues of the company in the below ratio:





TECHNICAL AND MANUFACTURING POTENTIAL

The core processes of BENVIG HEAT TRANSFER are:

- Engineering and designing activities
- Finning tubes
- Welding, heat treatment and machining of weldments
- Inspection and testing activities
- Surface treatments and painting
- Assembling, installation and servicing the products



ENGINEERING

The process analysis, outline design, design, construction and technology of the individual items of equipment and technological nodes are provided by BENVIG HEAT TRANSFER with its core employees. In the Engineering Department, there were 27 specialists at the end of the year 2018.

The company has enough highly qualified employees for the process and design and the preparation of the production of the designed equipment. Thanks to the licenses for several design programs for the thermal-hydraulic design of exchangers and flow of fluids the employees are able to prepare also a design of non- standard equipment according to the wish of the customer. For their work, the outline designers and designers routinely use modern computer programs for heat transfer, flow of fluids and the creation of a 3D documentation.

All equipment units are designed and manufactured in accordance with the requirements of the customer, while respecting the prior agreed upon standards and specifications. The thermal, hydraulic and strength design are performed for each project as per the defined process parameters which make it possible to supply the equipment in an **optimized form in accordance with the requirements of the customer**.

The company did not implement any projects in the research and development field in 2018.



PRODUCTION CAPACITIES

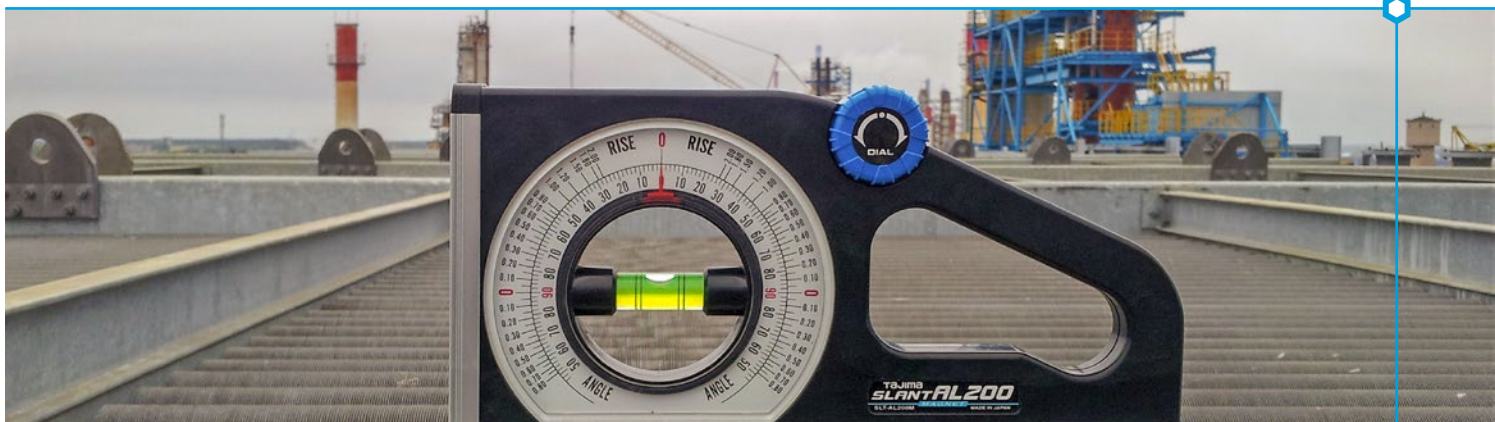
BENVIG HEAT TRANSFER has enough capacities for providing all core processes and is able to supply its equipment even in non-standard materials, such as stainless steel, duplex steel, aluminium alloy, copper, brass, monel, inconel, incoloy, or titanium. The production itself is performed in the production site in the seat of the company in Benešov nad Ploučnicí near Děčín.

For the production of several types of finned tubes which are the basic part of air exchangers, the company uses **three finning machines**.

One of the core processes in the production of equipment is **welding** where the company, thanks to the efforts of its professional staff, achieves very good results. For welding, the company is equipped with welding facilities which include standard welding units, semi-automatic welding machines and **special equipment** for the orbital welding of tubes or automated submerged arc welding. The welding operations are performed by the company's own personnel with a top expertise at an international level and under the supervision of several welding technologists. For the next processing of weldments, the company uses its own annealing furnace and blasting machine. The machinery equipment of the production shops, including CNC machining centers, allow the company to make the further processing of mill materials and weldments.

For the final assembly and construction of technological units, the company has **production premises** with two crane tracks and four bridge cranes, each of a capacity of 30 tons. Thus, the company is able to manufacture equipment of a total weight of up to 60 tons. Upon demand of the customer the company has, thanks to the adequate size of the handling area, a location for making the check assembly of coolers or the **measurement** of noise and vibrations.

The company has invested to the modernization of the machinery significantly in the past year. The most significant investment (in about CZK 23 mil.) was a brand-new CNC center. Other significant investments were for example drying and varnishing cabin. Its price was CZK 2,3 mil.



QUALITY ASSURANCE

For the quality assurance and the safety of the equipment, all the essential elements of the execution of orders are stipulated in the company's system documentation, subject to which the company repeatedly passes successfully the renewal and recertification audits.

The company successfully passes renewal and recertification audits of the Quality Control System in accordance with the standards ČSN EN **ISO 9001** "Quality Management System", ČSN EN **ISO 3834-2** (Stricter requirements for the quality on fusion welding of metal materials), and in addition, the company is the holder of the certification for the production of steel structures acc. to ČSN EN 1090-2.

For its qualified personnel, BENVIG HEAT TRANSFER is also the holder of the international certification for the production of pressure vessels in accordance with **ASME** CODE VIII Division I of the American Association of Mechanical Engineers. Thanks to this certification, the units of equipment produced are registered in the global registration system of the organization The National Board of Boiler & Pressure Vessel Inspectors, which is the evidence of the quality and safety of pressure vessels.

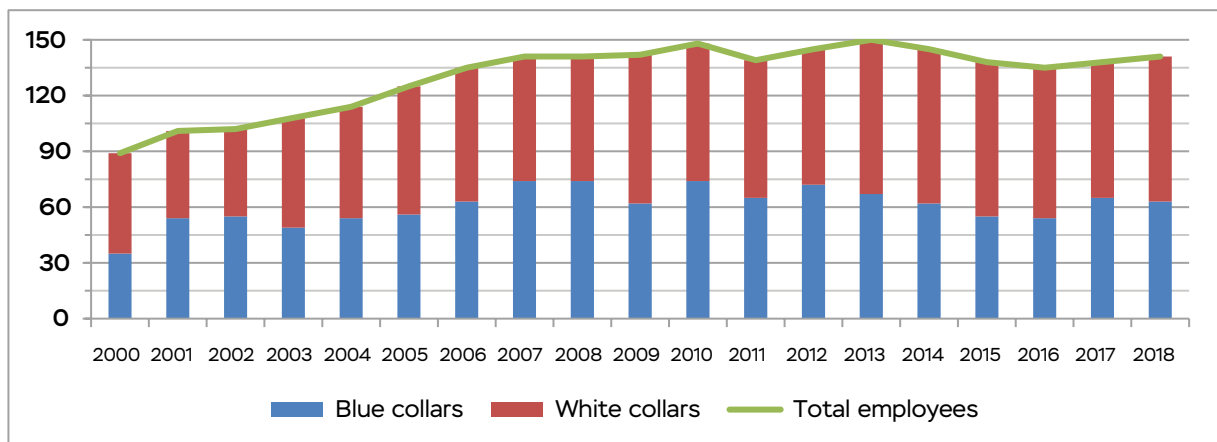
In addition, BENVIG HEAT TRANSFER is subject to periodical recertification processes for the eligibility for supplying equipment and using the same safely in the territory of the Russian Federation, Ukraine and Belarus in accordance with the standards **GOST R**, which are applicable in the Commonwealth of Independent States.

The company runs its activity in accordance with the applicable legislative relating to the protection of the environment. Accordingly, all production takes place in a way that the negative impacts upon the environment are minimized.



EMPLOYEES OF THE COMPANY

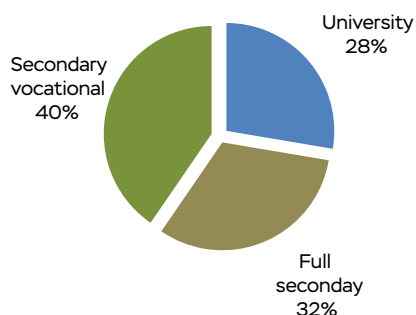
The number of employees of the company BENVIG HEAT TRANSFER has been kept at the stable level within recent years. At the end of 2018, the company had a workforce of 141 people.



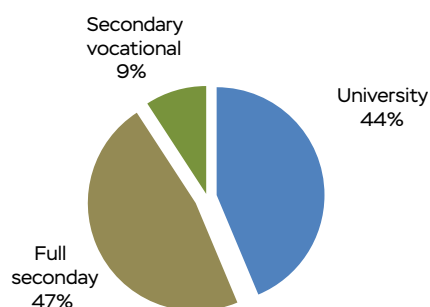


EDUCATION LEVEL STRUCTURE

TOTAL EMPLOYEES



TECHNICAL & ADMINISTRATIVE EMPLOYEES



University education's share in the education level structure of the white collar staff positions is 44%, and in the education level structure of all employees it is 28%.

BENVIG HEAT TRANSFER fosters **additional education and increasing the qualification of its employees**. In 2018, the company allocated **CZK 708 thousand** for professional education. Likewise, in the previous years, the company provides **free of charge education of foreign languages**.

In the year 2017 and 2018, the company, within the projects "Podpora odborného vzdělávání zaměstnanců II" ("") ID CZ.03.1.52/0.0/0.0/15_021/0000053 joined Operační program Lidské zdroje a zaměstnanost (**Operational Program of Human Resources and Employment**). In the year 2017, through such projects **CZK 85 thousand** were financed from the funds of the European Social Fund and the State Budget of the Czech Republic.



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EVROPSKÁ UNIE



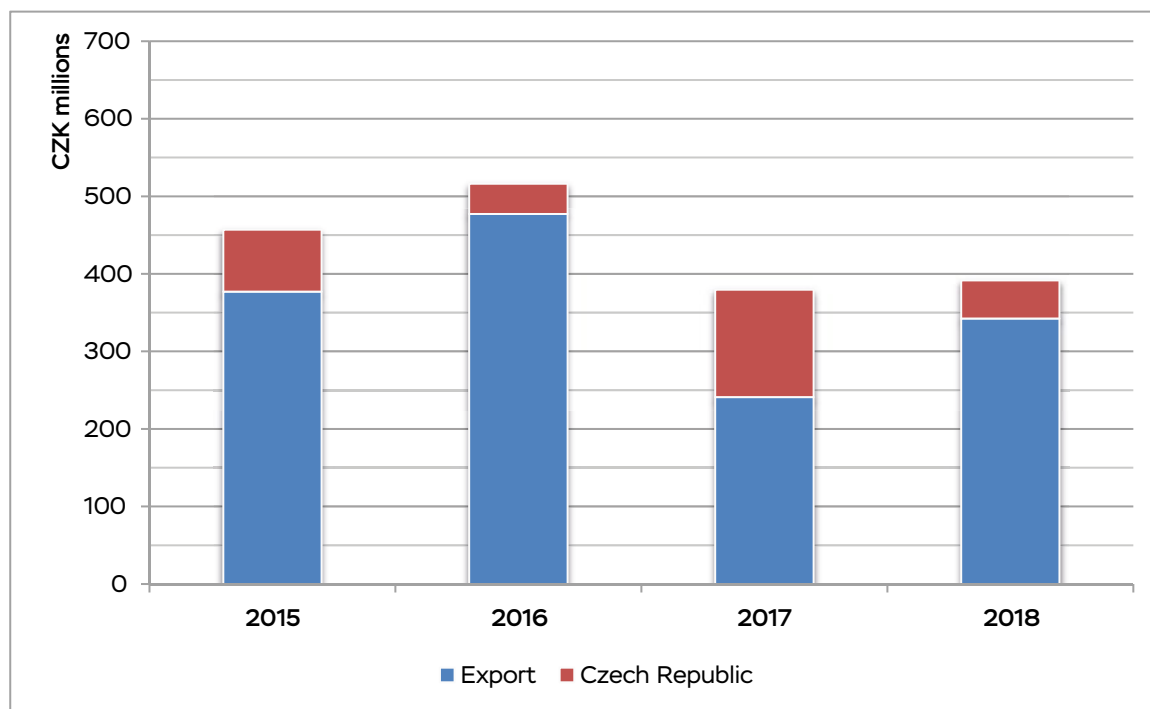
OPERAČNÍ PROGRAM
LIDSKÉ ZDROJE
A ZAMĚSTNANOST

PODPORUJEME
VAŠI BUDOUCNOST
www.esfcr.cz



ECONOMIC INDICATORS

THE TREND OF THE REVENUES FOR THE SALES OF PRODUCTS AND SERVICES RENDERED



PROFIT & LOSS ACCOUNT

(SELECTED INDICATORS IN CZK THOUSANDS)

Results of operations	2018	2017	2016
Revenues from own products and services	391 560	379 577	516 214
Other revenues	37 523	21 118	12 559
Change to WIP	-19 141	-27 058	-93 831
Total revenues	409 942	373 637	434 942
Material and services	262 527	252 626	266 026
Personnel expenses	79 722	72 826	80 534
Depreciation and amortization	8 881	8 986	9 681
Repairs and maintenance	3 686	2 084	2 084
Taxes and fees	217	208	218
Other operating expenses	5 875	3 213	2 730
Interests	2 826	3 023	2 610
Finance expenses	12 135	8 980	11 883
Change in provisions and allowances	-6 520	10 467	5 004
Total costs	369 349	362 413	380 770
Profit or Loss before tax	40 589	11 224	54 172
Income tax	8 014	1 854	9 988
Profit or Loss for the year	32 575	9 370	44 184



ASSETS STRUCTURE

(SELECTED INDICATORS IN CZK THOUSANDS)

Assets	2018	2017	2016
Intangible assets	216	537	961
Land, constructions and machinery	86 968	88 998	95 501
Subsidiaries	0	0	155
Fixed assets	87 184	89 535	96 617
Inventory	24 235	46 851	76 189
Receivables	96 044	142 535	84 342
Financial assets	63 932	23 710	42 274
Current assets	184 211	213 096	202 805
Other assets	1 027	1 369	2 656
Total assets	272 422	304 000	302 078

Equity & Liabilities	2018	2017	2016
Basic capital	5 441	5 441	5 441
Retained earnings	91 000	58 425	84 055
Other funds	35 221	10 335	1 095
Equity	131 662	74 201	90 591
Long-term liabilities	0	0	0
Short-term liabilities	41 999	80 338	56 693
Bank loans and borrowing	90 848	143 796	149 961
Provisions	5 963	2 925	3 347
Liabilities	138 810	227 059	210 001
Other liabilities	1 950	2 740	1 486
Total equity & liabilities	272 422	304 000	302 078

There were no events in the period between the date of this report and the balance sheet date, i.e. 31 December 2018, which are not disclosed in the financial statements and which would have a significant effect on the Company's operation and/or results.

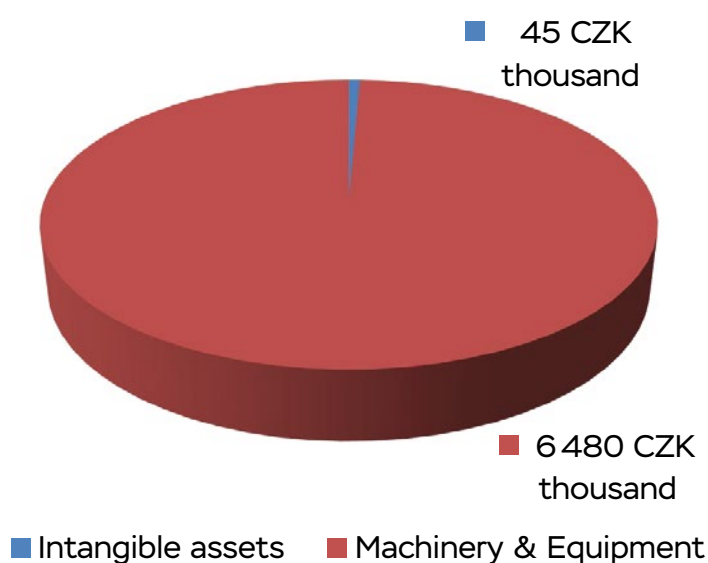


INVESTMENTS

Compared to the previous period when BENVIG HEAT TRANSFER vastly invested into the project of machinery equipment the total investment expenditures reached an amount of CZK 6,525 thousand in the year 2018.

The most significant investment is a new CNC machine which was bought (financial leasing form) for CZK 22,6 mil.

The structure of the completed investments in 2018 is shown in the below graph:

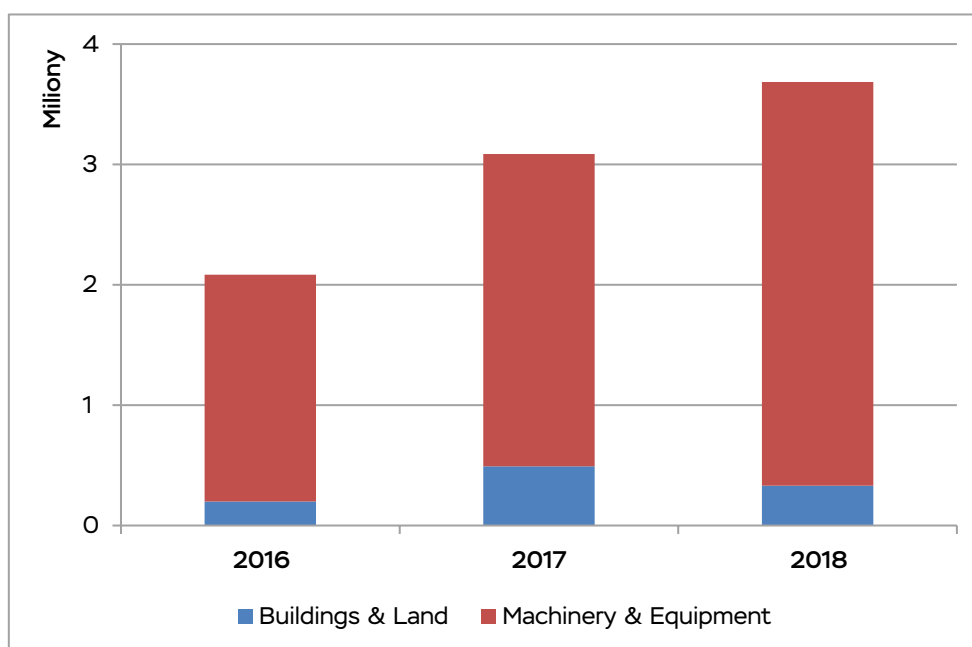




REPAIRS AND MAINTENANCE OF THE PROPERTY

The scheduling and performance of repairs and maintenance of the production equipment and buildings were made by the company with respect to the condition of its property, and in case of buildings, also to its financial potential. In 2018, for the repair and maintenance of the property, the company expended a total of **CZK 3,686 thousand**.

Structure of the costs for the repairs and maintenance of the property in the years 2016–2018 is shown in the below graph:



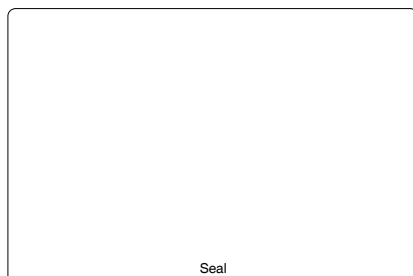


FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2018



BALANCE SHEET

as at **31.12.2018**

in thousands CZK

ID no.	1	4	8	6	7	1	2	5
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Business name

BENVIG HEAT TRANSFER
spol. s r.o.

Registered office

Děčínská 288
Benešov nad Ploučnicí
407 22

Ident.	ASSETS	line	Current accounting period			Previous account. period
			Gross	Adjustments	Net	Netto
	TOTAL ASSETS A.+B.+C.+D.	001	+405,655	-133,233	+272,422	+304,000
B.	Fixed assets B.I.+...+B.III.	003	+198,634	-111,450	+87,184	+89,535
B.I.	Intangible assets B.I.1.+...+B.I.x	004	+7,713	-7,497	+216	+537
B.I.2.	Valuable rights (patents, copyrights, trademarks and brands) B.I.2.1.+B.I.2.2.	006	+7,713	-7,497	+216	+537
B.I.2.1.	Software acc. 013, (-)073, (-)091AÚ	007	+7,713	-7,497	+216	+537
B.II.	Tangible fixed assets B.II.1.+...+B.II.x	014	+190,122	-103,154	+86,968	+88,998
B.II.1.	Land and Buildings B.II.1.1.+B.II.1.2.	015	+113,365	-41,535	+71,830	+75,616
B.II.1.1.	Land acc. 031, (-)092AÚ	016	+661		+661	+661
B.II.1.2.	Buildings and structures acc. 021, (-)081, (-)092AÚ	017	+112,704	-41,535	+71,169	+74,955
B.II.2.	Machinery, equipment, vehicles, fixtures and fittings acc. 022, (-)082, (-)092AÚ	018	+87,803	-72,671	+15,132	+13,382
B.II.3.	Valuation differences to acquired assets (+/-) acc. 097, (-)098	019	-11,052	+11,052	+0	+0
B.II.5.	Advances for tangible fixed assets and Tangible fixed assets under construction B.II.5.1.+B.II.5.2.	024	+6		+6	+0
B.II.5.2.	Tangible fixed assets under construction acc. 042, (-)094	026	+6		+6	+0
B.III.	Financial assets B.III.1.+...+B.III.x	027	+799	-799	+0	+0
B.III.1.	Investments in subsidiaries acc. 043, 061, (-)096AÚ	028	+799	-799	+0	+0
C.	CURRENT ASSETS C.I.+C.II.+C.III.+C.IV.	037	+205,994	-21,783	+184,211	+213,096
C.I.	Inventories C.I.1.+...+C.I.x	038	+30,628	-6,393	+24,235	+46,851
C.I.1.	Raw material acc. 111, 112, 119, (-)191	039	+17,732	-5,974	+11,758	+19,961
C.I.2.	Work-in-progress and semi-finished products acc. 121, 122, (-)192, (-)193	040	+11,603	-419	+11,184	+25,216
C.I.3.	Finished products and goods C.I.3.1.+C.I.3.2.	041	+1,283		+1,283	+1,072
C.I.3.1.	Finished products acc. 123, (-)194	042	+1,229		+1,229	+1,041
C.I.3.2.	Goods acc. 131, 132, 139, (-)196	043	+54		+54	+31
C.I.5.	Prepayments on inventories acc. 151, 152, 153, (-)197, (-)198, (-)199	045	+10		+10	+602
C.II.	Receivables C.II.1.+C.II.2.+C.II.3.	046	+111,434	-15,390	+96,044	+142,535
C.II.1.	Long-term receivables C.II.1.1.+...+C.II.1.x	047	+2,380		+2,380	+1,669
C.II.1.4.	Deferred tax receivable acc. 481	051	+2,380		+2,380	+1,669
C.II.2.	Short-term receivables C.II.2.1.+...+C.II.2.x	057	+109,054	-15,390	+93,664	+140,866
C.II.2.1.	Trade receivables acc. 311AÚ, 313AÚ, 315AÚ, (-)391AÚ	058	+94,630	-15,390	+79,240	+117,944
C.II.2.2.	Receivables from controlling entities acc. 351AÚ, (-)391AÚ	059	+7,904		+7,904	+8,384
C.II.2.4.	Other Receivables C.II.2.4.1.+...+C.II.2.4.6.	061	+6,520		+6,520	+14,538
C.II.2.4.3.	Government - tax receivables acc. 341, 342, 343, 345, (-)391AÚ	064	+3,360		+3,360	+1,962
C.II.2.4.4.	Short-term advances acc. 314AÚ, (-)391AÚ	065	+875		+875	+857
C.II.2.4.6.	Other receivables acc. 335, 371, 373, 374, 375, 376, 378, (-)391AÚ	067	+2,285		+2,285	+11,719
C.IV.	Cash and bank accounts C.IV.1.+...+C.IV.x	075	+63,932		+63,932	+23,710
C.IV.1.	Cash acc. 211, 213, 261	076	+130		+130	+218
C.IV.2.	Bank accounts acc. 221, 261	077	+63,802		+63,802	+23,492
D.	Prepayments and accrued income D.1.+...+D.x	078	+1,027		+1,027	+1,369
D.1.	Prepaid expenses acc. 381	079	+1,027		+1,027	+1,369

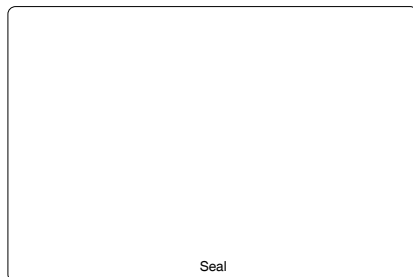


Ident.	LIABILITIES	line	Current accounting period	Previous account. period
			Net	Netto
	TOTAL LIABILITIES AND EQUITY	A.+B.+C.+D.	001	
			+272,422	+304,000
A.	Equity	A.I.+A.II.+A.III.+A.IV.+A.V.+A.VI.	002	
			+131,662	+74,201
A.I.	Subscribed capital	A.I.1.+...+A.I.x.	003	
			+5,441	+5,441
A.I.1.	Subscribed capital	acc. 411 nebo 491	004	
			+5,441	+5,441
A.II.	Share premium and capital reserves	A.II.1.+...+A.II.x.	007	
			+34,677	+9,791
A.II.1.	Share premium	acc. 412	008	
			+460	+460
A.II.2.	Capital reserves	A.II.2.1.+...+A.II.2.5.	009	
			+34,217	+9,331
A.II.2.1.	Other capital reserves	acc. 413	010	
			+35,000	+0
A.II.2.2.	Valuation differences from revaluation of assets and liabilities	acc. (+/-) 414	011	
			-783	+9,331
A.III.	Revenue reserves	A.III.1.+...+A.III.x.	015	
			+544	+544
A.III.1.	Other reserve fund	acc. 421, 422	016	
			+544	+544
A.IV.	Retained earnings	A.IV.1.+...+A.IV.x.	018	
			+58,425	+49,055
A.IV.1.	Retained earnings and accumulated losses of previous years	acc. 428, 429	019	
			+58,425	+49,055
A.V.	Profit / loss of current accounting period	Aktiva - A.1.-A.II.-A.III.-A.IV.-B.-C.-D.-A.VI.	021	
			+32,575	+9,370
B.+C.	Liabilities	B.+C.	023	
			+138,810	+227,059
B.	Provisions	B.1.+...+B.x.	024	
			+5,963	+2,925
B.4.	Others provisions	acc. 459	028	
			+5,963	+2,925
C.	Payables	C.I.+C.II.+C.III.	029	
			+132,847	+224,134
C.I.	Long-term liabilities	C.I.1.+...+C.I.x.	030	
			+64,891	+90,195
C.I.2.	Payables to banks	acc. 461	034	
			+64,891	+90,195
C.II.	SHORT-TERM LIABILITIES	C.II.1.+...+C.II.x.	045	
			+67,956	+133,939
C.II.2.	Payables to banks	acc. 221, 231, 232	049	
			+25,957	+53,601
C.II.3.	Short-term advances received	acc. 324	050	
			+5,221	+31,837
C.II.4.	Trade payables	acc. 321, 325	051	
			+22,761	+17,971
C.II.6.	Payables - controlling or controlled entity	acc. 361	053	
			+3,899	+6,416
C.II.8.	Other payables	C.II.8.1.+...+C.II.8.7.	055	
			+10,118	+24,114
C.II.8.3.	Payables to employees	acc. 331, 333	058	
			+3,781	+3,452
C.II.8.4.	Payables to social security and health insurance	acc. 336	059	
			+2,264	+2,051
C.II.8.5.	Government - tax payables and subsidies	acc. 341, 342, 343, 345, 346, 347	060	
			+625	+14,479
C.II.8.6.	Estimated accrued items	acc. 389	061	
			+796	+1,135
C.II.8.7.	Other payables	acc. 372, 373, 377, 379	062	
			+2,652	+2,997
D.	Accruals and deferred income	D.1.+...+D.x.	066	
			+1,950	+2,740
D.2.	Deferred income	acc. 384	068	
			+1,950	+2,740

Date of compilat 31.03.2019	Signature of statutory body/natural person
Legal form limited liability company	Ing. Oldřich Šoba, Ph.D. Managing Director
Entrepreneurial activity Installation, repairs, tests of equipment and gas containers Designing in construction	
Comment:	



PROFIT AND LOSS STATEMENT


 as at **31.12.2018**

 From: **1.1.2018** To: **31.12.2018**

in thousands CZK

 ID no. **1 4 8 6 7 1 2 5**

Business name

BENVIG HEAT TRANSFER
spol. s r.o.

Registered office

Děčínská 288
Benešov nad Ploučnicí
407 22

Ident.	PROFIT AND LOSS STATEMENT	line	Values in accounting period	
			Current accounting period	Previous account. period
I.	Sales of goods and services acc. 601, 602	001	+391,560	+379,577
II.	Sales of goods acc. 604	002	+0	+398
A.	Consumption from production A.1.+...+A.x.	003	+266,213	+255,103
A.1.	Costs of goods sold acc. 504	004	+0	+393
A.2.	Consumption of material and energy acc. 501, 502, 503	005	+185,936	+178,779
A.3.	Services acc. 511, 512, 513, 518	006	+80,277	+75,931
B.	Increase/decrease in finished goods and in work in progress acc. 581, 582, 583, 584	007	+19,141	+27,058
C.	Own work capitalized acc. 585, 586, 587, 588	008	+0	-350
D.	Staff costs D.1.+...+D.x.	009	+79,722	+72,826
D.1.	Wages and salaries acc. 521, 522, 523	010	+57,593	+52,415
D.2.	Social security and health insurance costs and other costs D.2.1.+D.2.2.	011	+22,129	+20,411
D.2.1.	Social security and health insurance costs acc. 524, 525, 526	012	+19,685	+17,954
D.2.2.	Other social costs acc. 527, 528	013	+2,444	+2,457
E.	Adjustment of values in operating activities E.1.+...+E.x.	014	-566	+19,849
E.1.	Adjustment of values of Intangible and tangible assets E.1.1.+E.1.2.	015	+8,881	+8,986
E.1.1.	Adjustment of values of Intangible and tangible assets - permanent acc. 551, 557	016	+8,881	+8,986
E.2.	Adjustment of values of inventories acc. 559	018	-9,488	+2,566
E.3.	Adjustment of values of receivables acc. 558, 559	019	+41	+8,297
III.	Other operating income III.1.+...+III.x.	020	+20,448	+5,172
III.1.	Proceeds on sale of fixed assets acc. 641	021	+290	+534
III.2.	Proceeds on sale of material acc. 642	022	+570	+1,274
III.3.	Other operating income acc. 644, 646, 647, 648, 697	023	+19,588	+3,364
F.	Other operating expenses F.1.+...+F.x.	024	+9,134	+2,607
F.1.	Net book value of fixed assets sold acc. 541	025	+0	+294
F.2.	Material sold acc. 542	026	+4	+34
F.3.	Taxes and fees relating to operating activities acc. 531, 532, 538	027	+217	+208
F.4.	Provisions and adjustments relating to operating activities and complex deferred expenses acc. 552, 554, 555	028	+3,038	-421
F.5.	Other operating expenses acc. 543, 544, 545, 546, 547, 548, 549, 597	029	+5,875	+2,492
*	Profit/loss from operating activities Value added+III.+IV.+V.-C-D-E-F-G-H-I	030	+38,364	+8,054
VI.	Interest income and similar income VI.1.+...+VI.x.	039	+180	+171
VI.2.	Other interest income and similar income acc. 662, 665	041	+180	+171
I.	Adjustments relating to financial activities acc. 574, 579	042	-111	+25
J.	Interest expense and similar expenses J.1.+...+J.x.	043	+2,826	+3,023
J.2.	Other interest expense and similar expenses acc. 562	045	+2,826	+3,023
VII.	Other financial revenues acc. 661, 663, 664, 666, 667, 668, 669, 698	046	+16,895	+15,027
K.	Other financial expenses acc. 561, 563, 564, 565, 566, 567, 568, 569, 598	047	+12,135	+8,980
*	Profit/loss from financial activities IV.+V.+VI.-VII.-G.-H.-I.-J.-K.	048	+2,225	+3,170

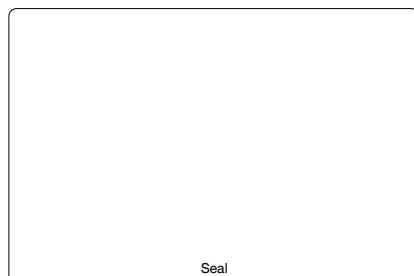


Ident.	PROFIT AND LOSS STATEMENT	line	Values in accounting period	
			Current accounting period	Previous account. period
**	Profit/loss before tax	049	+40,589	+11,224
L.	Income tax L.1.+...+L.x.	050	+8,014	+1,854
L.1.	- Due acc. 591, 593, 595, 599	051	+6,378	+4,123
L.2.	- Deferred acc. 592	052	+1,636	-2,269
**	Profit/loss after tax ** - L.	053	+32,575	+9,370
***	Profit/loss for the period ** - M.	055	+32,575	+9,370
*	Netto turnover for the period I.+II.+III.+IV.+V.+VI.+VII.	056	+429,083	+400,345

Date of compilat 31.03.2019	Signature of statutory body/or natural person
Legal form limited liability company	Ing. Oldřich Soba, Ph.D. Managing Director
Entrepreneurial activity Installation, repairs, tests of equipment and gas containers Designing in construction	
Comment:	



CASH FLOW STATEMENTS

as at **31.12.2018**From: **1.1.2018** To: **31.12.2018**

in thousands CZK

ID no. **1 4 8 6 7 1 2 5**

Business name

BENVIG HEAT TRANSFER**spol. s r.o.**

Registered office

Děčínská 288**Benešov nad Ploučnicí****407 22**

Ident.	CASH FLOW STATEMENTS	line	Values in accounting period	
			Current accounting period	Previous account. period
P.	Cash and cash equivalents at beginning of accounting period	001	+23,710	+42,274
Cash flow from ordinary activities				
Z.	Profit/loss before taxation	002	+40,589	+11,224
A.1.	Adjustments for non-cash transactions A.1.1.+...+A.1.6.	003	+4,717	+22,064
A.1.1.	Depreciation of fixed assets (except of net book value of fixed assets sold, depreciation of adjustment for assets acquisition (+/-)).	004	+8,881	+8,986
A.1.2.	Change in adjustments, provisions	005	-6,520	+10,466
A.1.3.	Profit/loss on disposal of fixed assets	006	-290	-240
A.1.5.	Net interest expense (+) (except of capitalized interest) and interest income (-)	008	+2,646	+2,852
A*	Net cash flow from operating activities before tax and changes in working capital Z + A.1.	010	+45,306	+33,288
A.2.	Change in non-financial items of working capital A.2.1.+...+A.2.4.	011	+27,336	+5,953
A.2.1.	Increase/decrease in trade and other receivables, including prepayments and accrued income (+/-)	012	+36,584	-48,807
A.2.2.	Increase/decrease in trade payables, including accruals and deferred income (+/-)	013	-41,350	+27,987
A.2.3.	Increase/decrease in inventories	014	+32,102	+26,773
A**	Net cash flow from operating activities before taxes A* + A.2.	016	+72,642	+39,241
A.3.	Interest paid, excl. capitalized interests	017	-2,826	-3,023
A.4.	Interest received (+)	018	+180	+171
A.5.	Income tax on ordinary activities paid and additional assessments for past periods (including deposits and refunds) (-)	019	-5,344	-9,170
A***	Net cash flow from operating activities A** + A.3. + A.4. + A.5. + A.7.	022	+64,652	+27,219
Cash flow from investment activities				
B.1.	Costs associated with acquisition of fixed assets	023	-6,531	-2,353
B.2.	Proceeds on sales of fixed assets	024	+290	+534
B.3.	Loans and credits to related persons	025	-242	-2,798
B***	Net cash flow from investing activities B.1. + B.2. + B.3.	026	-6,483	-4,617
Cash flow from financial activities				
C.1.	Net effect of changes in long-term liabilities and short-term liabilities, belonging to the financial activities area, to cash and cash equivalents	027	-52,947	-6,166
C.2.	Net effect of changes in equity on cash and cash equivalents, share profits or possibly legal reserve including advances paid for this increase (+) C.2.1.-C.2.6.	028	+35,000	-35,000

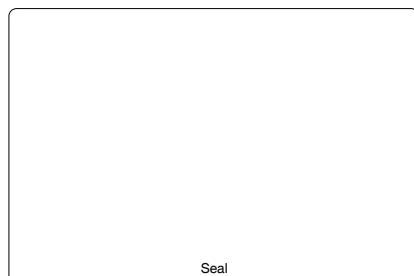


Ident.	CASH FLOW STATEMENTS	line	Values in accounting period	
			Current accounting period	Previous account. period
C.2.3.	Other cash contributions from partners and shareholders (+)	031	+35,000	+0
C.2.6.	Dividends paid and profit shares including withholding tax paid relating to these demands and including settlement with partners in partnership and general partners in limited partnerships	034	+0	-35,000
C***	Net cash from financing activities C. 1.+ C.2.	035	-17,947	-41,166
F.	Net increase/decrease in cash and cash equivalents A***+ B***+ C***	036	+40,222	-18,564
R.	Cash and cash equivalents at end of period P+F	037	+63,932	+23,710

Date of compilat 31.03.2019	Signature of statutory body/or natural person
Legal form limited liability company	Ing. Oldřich Šoba, Ph.D. Managing Director
Entrepreneurial activity Installation, repairs, tests of equipment and gas containers Designing in construction	
Comment:	



CHANGES IN SHAREHOLDERS EQUITY

as at **31.12.2018**From: **1.1.2018** To: **31.12.2018**

in thousands CZK

ID no. **1 4 8 6 7 1 2 5**

Business name

BENVIG HEAT TRANSFER**spol. s r.o.**

Registered office

Děčínská 288**Benešov nad Ploučnicí****407 22**

Ident.	CHANGES IN SHAREHOLDERS EQUITY	line	Values in accounting period		
			Current accounting period	Previous account. period	
A. Subscribed capital in Companies register entered (411, 491)					
A.1.	Opening balance	účty 411, 491	001	+5,441	+5,441
A.4.	Closing balance		004	+5,441	+5,441
C. Subscribed capital (A. +/- B).with account (-)252					
C.1.	Opening balance A. +/- B.	A.1. + B.1.	009	+5,441	+5,441
C.6.	Closing balance A. +/- B. incl. (252)	C.1. + C.5.	014	+5,441	+5,441
D. Share premium (412)					
D.1.	Opening balance	účet 412	015	+460	+460
D.4.	Closing balance		018	+460	+460
F. Differences from revaluation not included in profit/loss (414, 416, 417 and 418)					
F.1.	Opening balance	účty 414, 416, 417 a 418	023	+9,331	+91
F.2.	Increase		024	+35,000	+9,240
F.3.	Decrease		025	+10,114	
F.4.	Closing balance		026	+34,217	+9,331
G. Legal reserves (421, 422)					
G.1.	Opening balance	účty 421, 422	027	+544	+544
G.4.	Closing balance		030	+544	+544
I. Credit from account periods (428 + credit 431)					
I.1.	Opening balance	účty 428, 431	035	+49,055	+282,062
I.2.	Increase		036	+9,370	
I.3.	Decrease		037		+233,007
I.4.	Closing balance		038	+58,425	+49,055
L. Profit/loss for the period after tax					
L.1.	Opening balance		047	+9,370	+44,184
L.2.	Increase		048	+32,575	+9,370
L.3.	Decrease		049	+9,370	+44,184
L.4.	Closing balance		050	+32,575	+9,370
M. Advanced payment for dividends (432)					
M.1.	Opening balance	účet 432	051		-242,191
M.2.	Increase		052		+242,191
Equity in total (summation C to M)					
X.1.	Opening balance	C.1.+C.2.+D.1.+E.1.+F.1.+G.1.+H.1.+I.1.+J.1.+K.1.+L.1.+M.1.	055	+74,201	+90,591
X.2.	Increase	A.2.+B.2.+C.3.+D.2.+E.2.+F.2.+G.2.+H.2.+I.2.+J.2.+K.2.+L.2.+M.2.	056	+76,945	+260,801
X.3.	Decrease	A.3.+B.3.+C.4.+D.3.+E.3.+F.3.+G.3.+H.3.+I.3.+J.3.+K.3.+L.3.+K.3.	057	+19,484	+277,191
X.4.	Closing balance	X.1.+X.2.-X.3	058	+131,662	+74,201



Ident.	CHANGES IN SHAREHOLDERS EQUITY	line	Values in accounting period	
			Current accounting period	Previous account. period
Date of compilat 31.03.2019		Signature of statutory body/or natural person		
Legal form limited liability company		Ing. Oldřich Šoba, Ph.D. Managing Director		
Entrepreneurial activity Installation, repairs, tests of equipment and gas containers Designing in construction				
Comment:				



BENVIG HEAT TRANSFER spol. s r. o.
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